



Crazy Mountain, Inc.
DBA Crazy Mountain Oil & Gas Services
P.O. Box 577
Laurel, MT 59044
Phone & Fax: (406) 628-4164
E-Mail: crazymtnmc@2a.net

March 28, 2001

Mr. Kirk Fleetwood
Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, UT 84078

---VIA Federal Express---

RE: Operator: Retamco Operating Inc.
Application for Permit to Drill
Black Horse Strat Test #9A-15-24
NE/4 Section 9, T15S, R24E
Uintah County, Utah

Enclosed is the Application for Permit to Drill submitted on behalf of Retamco Operating Inc.

Please feel free to contact me at (406) 628-4164 if you require additional information.

Sincerely,

Molly Conrad
Agent for Retamco Operating Inc.

cc: State of Utah, Mike Hebertson
Al Arlian, Blue Creek Inc.
Joe Glennon, Retamco Operating Inc.

RECEIVED

MAR 29 2001

DIVISION OF
OIL, GAS AND MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

5. Lease Serial No.
UTU -72068

6. If Indian, Allottee or Tribe Name
n/a

7. If Unit or CA Agreement, Name and No.
n/a

8. Lease Name and Well No.
Black Horse Strat Test #9A-15-24

9. API Well No.
43-047-34011

CONFIDENTIAL

1a. Type of Work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator
Retamco Operating Inc. Stratigraphic Test

3a. Address
671 Garnet Ave, Billings, MT 59105

3b. Phone No. (include area code)
(406) 248-5594

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
At surface 829' FNL & 1913' FEL NE/4 Sec. 9, T15S, R24E
At proposed prod. zone 4329' 1324' 651929 E

10. Field and Pool, or Exploratory
Wildcat

11. Sec., T., R., M., or Blk. and Survey or Area
NE/4 Sec. 9, T15S, R24E

14. Distance in miles and direction from nearest town or post office*
Approximately 61.7 miles Northeast of Ouray, Utah

12. County or Parish
Uintah

13. State
UT

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
Approx 2064.5'

16. No. of Acres in lease
2351.3 acres

17. Spacing Unit dedicated to this well
40 acres

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
50'

19. Proposed Depth
4200'

20. BLM/BIA Bond No. on file
UT1088

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
7585' GL

22. Approximate date work will start*
May 1, 2001

23. Estimated duration
15 Days

24. Attachments

- The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:
- Well plat certified by a registered surveyor.
 - A Drilling Plan.
 - A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
 - Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
 - Operator certification.
 - Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature Molly Conrad Name (Printed/Typed) Molly Conrad Date 3-28-2001

Title Agent for Retamco Operating Inc.

Approved by (Signature) Bradley G. Hill Name (Printed/Typed) BRADLEY G. HILL Date 04-26-01

Title Office RECLAMATION SPECIALIST III

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

Federal Approval of this
Action is Necessary

RECEIVED

MAR 29 2001

DIVISION OF
OIL, GAS AND MINING

Survey Plat for Existing Location:

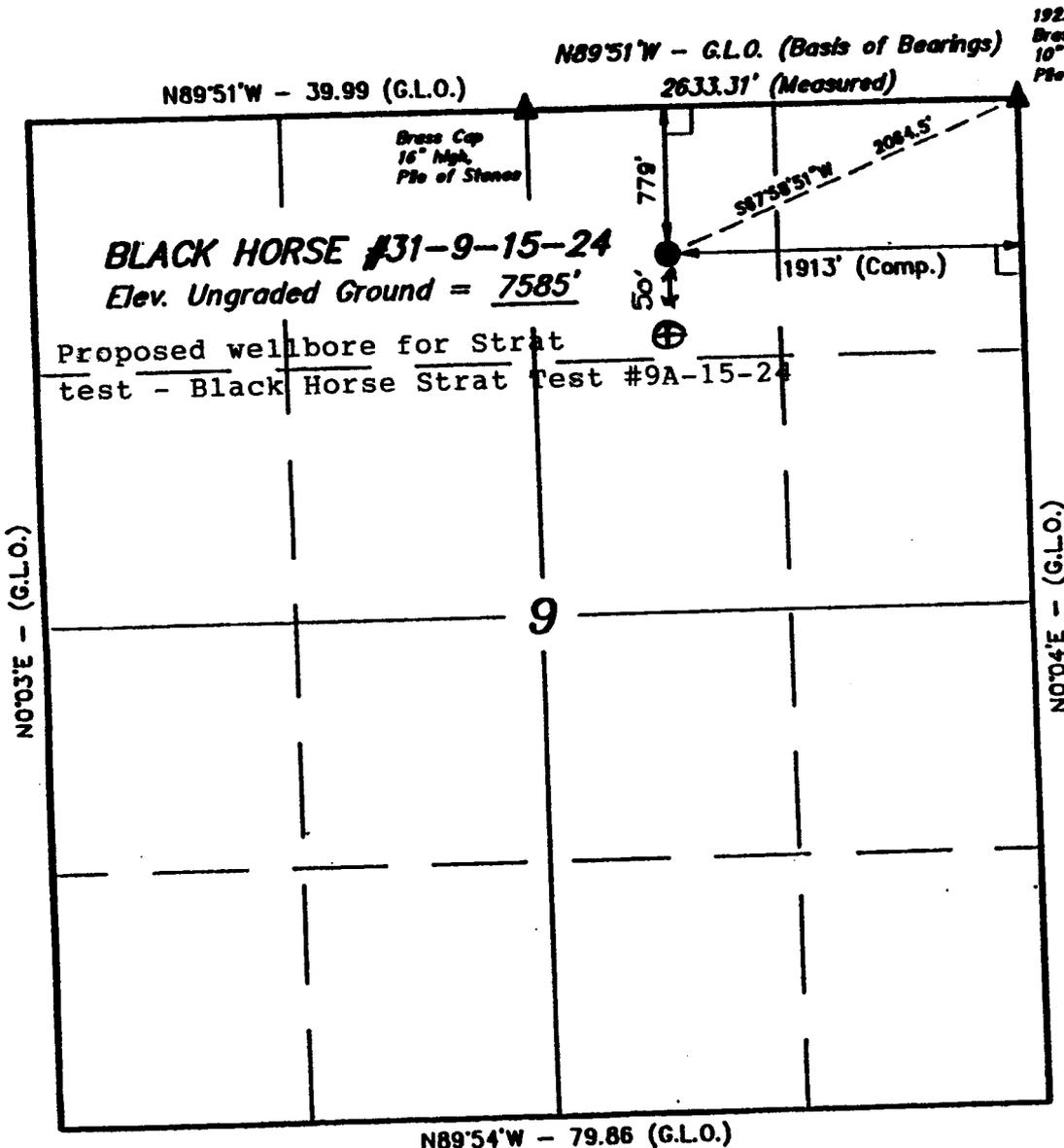
Black Horse Strat Test #9A-15-24 to be 50' South of EXISTING

T15S, R24E, S.L.B.&M.

Well location, BLACK HORSE #31-9-15-24, located as shown in the NW 1/4 NE 1/4 of Section 9, T15S, R24E, S.L.B.&M. Uintah County, Utah.

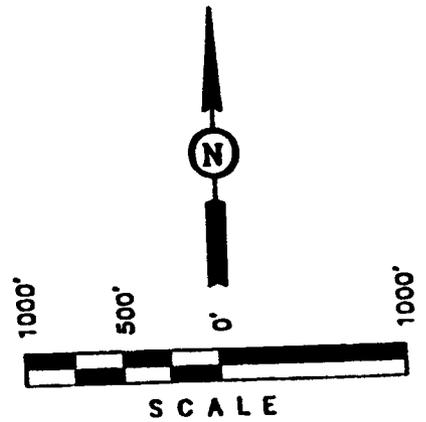
BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHEAST CORNER OF SECTION 17, T15S, R24E, S.L.B.&M. TAKEN FROM THE TOM PATTERSON CANYON, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7854 FEET.



1922
Brass Cap
10" High,
Pile of Stones

Brass Cap
16" High,
Pile of Stones



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert J. Kelly
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(801) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 10-25-94	DATE DRAWN: 11-1-94
PARTY D.A. G.B. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER	FILE	

LEGEND: ⊕ Black Horse Strat Test #9A-15-24 (Proposed)
└ = 90° SYMBOL
● = PROPOSED WELL HEAD.

CONFIDENTIAL

AS OPERATOR, WE HEREBY REQUEST THAT THE STATUS OF THIS WELL BE HELD TIGHT FOR THE MAXIMUM PERIOD ALLOWED BY FEDERAL AND STATE REGULATIONS.

**Retamco Operating Inc.
671 Garnet Avenue
Billings, MT 59105
(406) 248-5594**

**Permitting Matters: Molly Conrad
Crazy Mountain, Inc.
P.O. Box 577
Laurel, MT 59044
(406) 628-4164**

RETAMCO OPERATING INC.
BLACK HORSE STRAT TEST #9A-15-24
NE/4 Section 9, T15S, R24E
Uintah County, Utah *UTU-*
Federal Lease Number ~~000~~-72068

EXHIBIT ATTACHMENTS FOR APD

- A SURVEY PLAT
- B PROPOSED SURFACE USE PROGRAM
- C WELLSITE LAYOUT
- D ACCESS ROADS (MAPS A AND B)
- E EXISTING ROADS (MAPS A AND B)
- F EXISTING WELLS WITHIN ONE-MILE RADIUS (MAP C)
- G PROPOSED DRILLING PROGRAM
- H GEOLOGICAL PROGNOSIS
- I BOP SCHEMATIC
- J HAZMAT DECLARATION

SURFACE USE PROGRAM
ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

In accordance with requirements outlined in 43 CFR 3162.3-1 (d):

1. **EXISTING ROADS:**

- a. Direction to the location from Ouray, Utah is as follows:
Proceed in a southerly direction for approximately 55.1 miles on the Seep Ridge Road to the intersection of this road and a road to the northeast. Turn left and proceed northeasterly for 6.3 miles to the beginning of the existing access road. Follow the existing location road approximately 0.3 miles to the location.
- b. For location of access roads, see Maps A and B.
- c. All existing roads within a 2-mile radius are shown on Maps A and B.
- d. Existing roads will be maintained and kept in good repair during all drilling and plugging operations associated with the Stratigraphic Testing this well.
- e. Existing roads under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.
- f. No existing roadways need to be upgraded for these drilling operations.

2. **PLANNED ACCESS ROADS:**

- a. No new access road is required for the Stratigraphic test on this well on the existing location.
- b. All travel will be confined to existing location and existing access routes.

3. **EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCATION:**

PLEASE REFER TO MAP C – EXHIBIT F

- a. Water Wells – 0
- b. Injection or Disposal Wells – 0
- c. Producing Wells – 1
- d. Drilling Wells – 0
- e. Abandoned Wells – 1

RETAMCO OPERATING INC
Black Horse Strat Test #9A-15-24
NE/4 Section 9, T15S, R24E
Uintah County, Utah
Federal Lease Number UTU-72068
EXHIBIT B

CONFIDENTIAL -TIGHT HOLE

4. **PROPOSED PRODUCTION FACILITIES DIAGRAM:**

- a. There will be no production facilities for the Stratigraphic Test on this well. This wellbore will be plugged and abandoned after test is taken. Please see the Drilling Program (Exhibit G).

5. **LOCATION AND TYPE OF WATER SUPPLY:**

- a. The source of the water for drilling purposes will be from a commercial water well through:
Dalbo, Inc.
350 South 800 East
Vernal, UT 84078
Doug Buggy
(435) 828-7982
**43-8496 per Molly Conrad 4/26/01-jc*

- b. Water will be hauled to the location along the approved access roads.
- c. No water wells will be drilled on this lease.

6. **CONSTRUCTION ROAD/LOCATION MATERIALS:**

- a. Surface and subsoil materials in the immediate area will be utilized.
- b. All construction materials will be removed from Federal Lands.
- c. Any materials to be used which are under BLM jurisdiction shall be approved in advance, as per CFR 3160.2-3.
- d. Any gravel used will be obtained from a commercial source.

7. **METHODS FOR HANDLING WASTE MATERIALS AND DISPOSAL:**

- a. Garbage will be stored in a covered container and disposed of according to local and state regulations, at an approved facility. Disposal will not be allowed on location. No trash will be disposed of in the reserve pit.
- b. The reserve pit will not be lined.
- c. Saltwater or testing tanks will be located and/or diked so that any spilled fluids will flow into the reserve pit. Saltwater tanks will not be placed on topsoil stockpiles.
- d. Any produced water will be contained on site for a period not to exceed 90 days.
- e. Sewage will be disposed of according to county and state requirements. Sealed chemical portable toilets will be on location during these drilling operations. Waste and chemicals will not be disposed of on location.

f. Cuttings will be deposited in the reserve pit.

8. **ANCILLARY FACILITIES:**

a. There are no ancillary facilities planned for this location.

9. **WELL SITE LAYOUT:**

a. The well site layout is attached (Exhibit C).

b. The location of the reserve pit, access roads to the location, and proposed equipment and facilities with respect to the existing wellbore is shown on the well site layout diagram.

c. The reserve pit containing oil residue must be overhead flagged.

d. Reserve Pit Fencing:

1. The reserve shall be fenced with 39-inch net wire with at least one strand of barbed wire on the top of the net fence. If pipe or some kind of reinforcement rod is attached to the top of the entire fence, barbed wire will not be used. The net wire will be no more than 2-inches above the ground and the barbed wire or pipe reinforcement will be 3-inches above the net wire. The total height of the fence will be 42-inches.
2. Corner braces will be cemented in such a manner as to keep the wire tight at all times.
3. Line posts will be spaced no greater than 16-feet apart and will be made of steel, wood or pipe.
4. All wire will be stretched tight with a stretching device before attaching to the corner braces

10. **PLANS FOR RECLAMATION OF LOCATION SITE:**

The Vernal District Area Manager will be notified at least 24 hours prior to commencing reclamation operations.

Upon testing of the desired zones of this well it shall be plugged and abandoned, please see drilling program.

a. The reserve pit fluids will be allowed to evaporate for approximately 90 days after drilling is completed. After the fluids disappear, the reserve pit mud will be allowed to dry sufficiently to allow backfilling. The backfilling of the reserve pit will be completed within 30 days after dry conditions exist. The backfilling operations will be done following Federal and State regulations.

b. Since this is on an existing well location, no reseeded will be done.

c. The area is considered satisfactorily reclaimed when:

1. Soil erosion resulting from the operation has been stabilized.

RETAMCO OPERATING INC
Black Horse Strat Test #9A-15-24
NE/4 Section 9, T15S, R24E
Uintah County, Utah
Federal Lease Number UTU-72068
EXHIBIT B

CONFIDENTIAL -TIGHT HOLE

11. **SURFACE OWNERSHIP:**

- a. Wellsite: Bureau of Land Management
Vernal District Office

12. **OTHER INFORMATION:**

- a. There will be no change from the proposed drilling program without prior approval from the Area Manager. Safe drilling and operating practices must be used. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.2.
- b. All contractors employed to perform work on this location will be furnished with a complete copy of this Application for Permit to Drill and supplemental conditions.
- c. Drilling operations will be conducted in accordance with the Bureau of Land Management conditions of approval when received.

13. **LESSEE'S OR OPERATOR'S REPRESENTATIVES:**

Retamco Operating:	Joe Glennon Retamco Operating Inc. 671 Garnett Avenue Billings, MT 59105 Attorney-In-Fact (406)248-5594	Al Arlian Blue Creek Inc. 1801 Broadway, Suite 1460 Denver, CO 80202 (303)292-4051
Drilling Contractor:	Boart Long Year Company Core Drilling Division 32 Stokes Drive Dayton, NV 89403 (800)327-7049	
Permitting Matters:	Molly Conrad Agent for Retamco Operating Inc. Crazy Mountain Oil and Gas Services P.O. Box 577 Laurel, MT 59044 (406) 628-1464	

RETAMCO OPERATING INC
Black Horse Strat Test #9A-15-24
NE/4 Section 9, T15S, R24E
Uintah County, Utah
Federal Lease Number UTU-72068
EXHIBIT B

CONFIDENTIAL -TIGHT HOLE

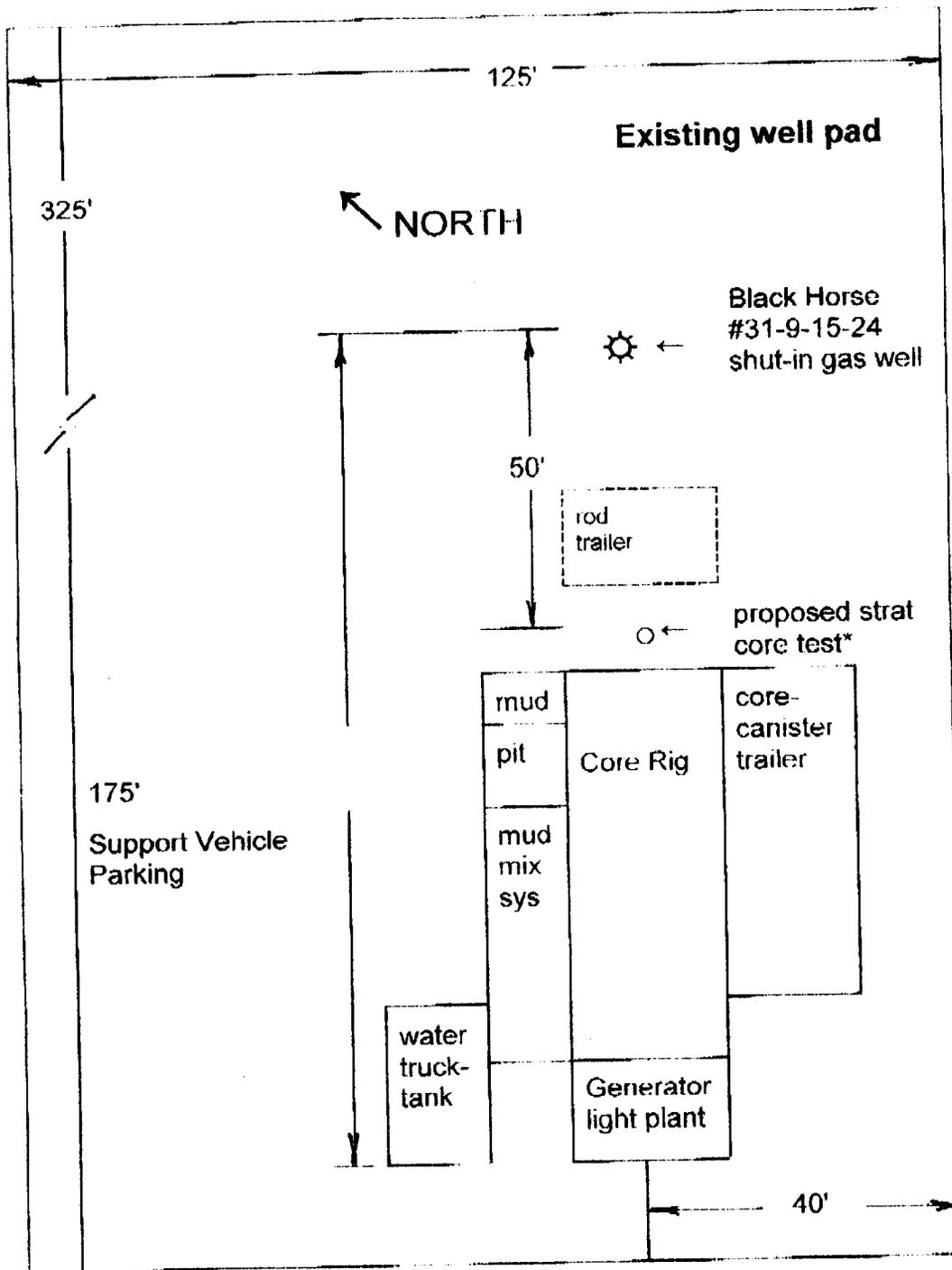
14. CERTIFICATION:

I HEREBY CERTIFY THAT I, OR PERSONS CONTRACTED BY RETAMCO OPERATING INC., HAVE INSPECTED THE PROPOSED DRILLSITE AND ACCESS ROUTE; THAT I AM FAMILIAR WITH THE CONDITIONS WHICH PRESENTLY EXIST; THAT ANY STATEMENTS MADE IN THIS PLAN ARE, TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT; AND THAT THE WORK ASSOCIATED WITH THE OPERATIONS PROPOSED HEREIN WILL BE PERFORMED BY RETAMCO OPERATING INC. AND ITS CONTRACTORS AND SUBCONTRACTORS IN CONFORMITY WITH THIS PLAN AND THE TERMS AND CONDITIONS UNDER WHICH IT IS APPROVED. THIS STATEMENT IS SUBJECT TO THE PROVISIONS OF 18 U.S.C. 1001 FOR THE FILING OF A FALSE STATEMENT.

3.28.01
Date

Molly Conrad
Molly Conrad
Agent for Retamco Operating Inc.

EXHIBIT C (Wellsite Layout)
Black Horse 9A15-24*



// **Lease Road**

Federal Lease No UTU-72068
NWNE, Section 9, T15S-R25E, Uintah County, Utah



Existing Location
BLACK HORSE
 #31-9-15-24

Proposed Strat Test
Black Horse Strat Test
 #9A-15-24

50' South of Existing
 wellbore

SHEET 2 OF 2

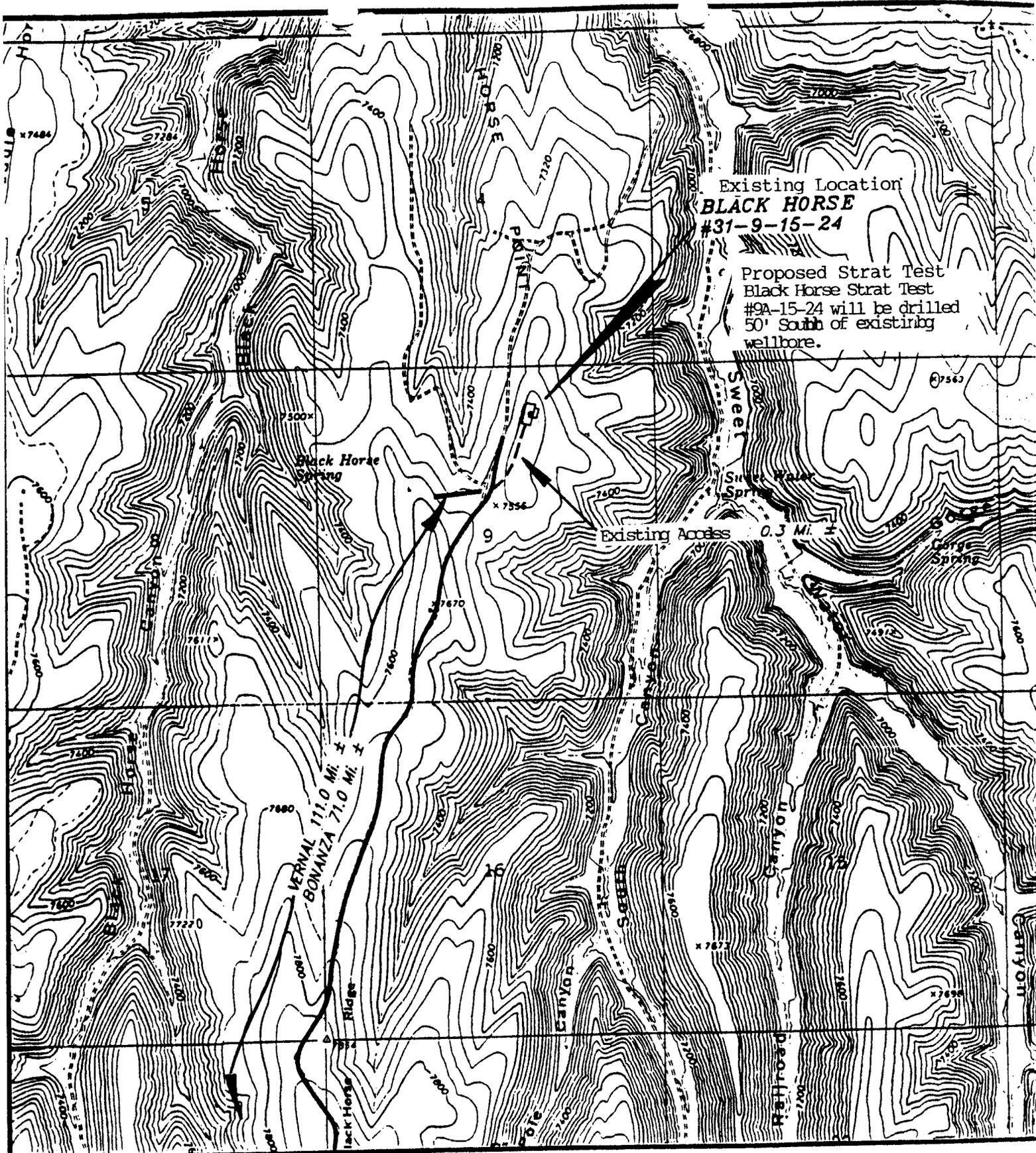
TOPOGRAPHIC
 MAP "A"

DATE: 11/2/94 D.COX



RETAMCO OPERATING INC.

BLACK HORSE STRAT TEST #9A-15-24
 NE/4 Section 9, T15S, R24E
 Uintah County, Utah
 829' FNL & 1913' FEL



Existing Location
BLACK HORSE
 #31-9-15-24

Proposed Strat Test
 Black Horse Strat Test
 #9A-15-24 will be drilled
 50' South of existing
 wellbore.

Existing Access 0.3 Mi. ±

TOPOGRAPHIC
 MAP "B"

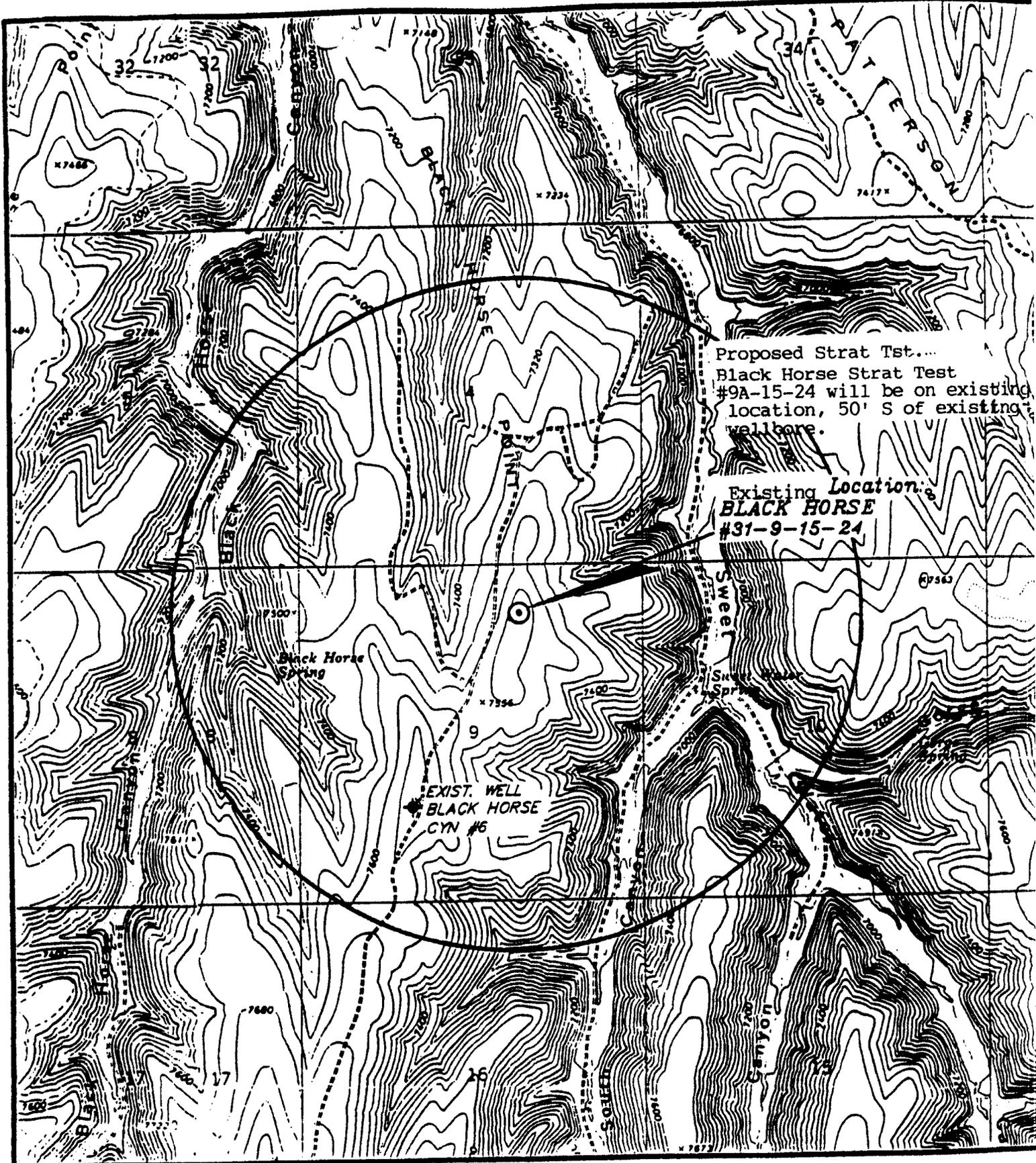
SCALE: 1" = 2000'

DATE: 11/2/94 D.COX



RETAMCO OPERATING INC.

Black Horse Strat Test #9A-15-24
 NE/4 Section 9, T15S, R24E
 UTAH COUNTY, UTAH



LEGEND:

- ◊ = Water Wells
- ◆ = Abandoned Wells
- ◐ = Temporarily Abandoned Wells
- ◑ = Disposal Wells
- = Drilling Wells
- = Producing Wells
- ◔ = Shut-in Wells



RETAMCO OPERATING INC.

BLACK HORSE STRAT TEST #9A-15-24
 SECTION 9, T15S, R24E, S.L.B.&M.
TOPO MAP "C"

DATE: 11-7-94 D.COX

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (CFR 43, Part 3160) and the approved Application for Permit to Drill. The operator is considered fully responsible for the actions of his subcontractors.

A copy of the approved applications for permit to drill and the accompanying surface use and operations plan along with the conditions of approval shall be available to authorized personnel at the drillsite whenever active construction or drilling operations are underway.

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease, which would entitle the applicant to conduct operations thereon.

This well will be drilled to a anticipated Total Depth (TD) of 4200 feet. A core test will be taken at each coal seam encountered during drilling.

1. **Geological Prognosis:**
Please see Geological Prognosis – Exhibit H
2. **Estimated Depth of Water, Oil, Gas & Other Mineral Bearing Formations:**
Please see Geological Prognosis – Exhibit H for anticipated coal seams to be tested.

It is not anticipated that water, gas, or oil will be encountered above 4200 feet.

4. **BOP Equipment:**

Retamco Operating Inc.'s requests a variance from the minimum specifications for pressure control equipment are as follows:

Retamco Operating Inc proposes to use a Ram Type: 1000# BOP with annular –
Please see BOPE Schematic Exhibit I.

Annular type preventers shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed
- b. whenever any seal subject to test pressure is broken
- c. following related repairs; and
- d. at 30-day intervals

Pressure test are required before drilling out from under all casing strings set and cemented in place. Blowout preventer controls must be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned.

Preventers will be inspected and operated at least daily to insure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs. All BOP pressure tests must be recorded on the daily drilling report. **NOTIFY THE RESOURCE AREA PETROLEUM ENGINEER, WAYNE BANKERT, AT LEAST 24 HOURS IN ADVANCE OF PRESSURE TESTS.**

Valves shall be tested from working pressure side during BOPE test with all down-stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

Pressure test shall apply to all related well control equipment.

4. **Casing and Cementing Program:**

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position of the casing seat opposite a competent formation, which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.
- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory well (lacking better data).
- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory well (lacking better data).
- d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- f. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- g. Top plugs shall be used to reduce contaminations of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- h. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.

EXHIBIT G

- i. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>New or Used</u>	
Surface	0-420+/-	5.625"	4.5"	11.6#	N-80	LT&C	New	
	420' TO TD	3.5"	(NO CASING WILL BE RUN)					

- j. Casing design subject to revision based on geological conditions encountered.

- k. The cement program will be as follows:

<u>Surface</u>	<u>Type and Amount</u>
0-420'	200+/- sacks Lite Cement with 2% CaCl, 1.4#/sk celloflake and 6% gel. Yield – 1.97, followed by 250+/- sacks Premium with 2% CaCl, ¼#/sk celloflake, yield 1.17 or sufficient volume to circulate to surface.

After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. Waiting on Cement time shall be recorded in the driller's log.

- l. The following reports shall be filed with the Area Manager within 30 days after the work is completed.

1. Progress reports, Form 3160-5, Sundry Notices and Reports on Wells, must include complete information concerning:
 - a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated to the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.

- m. Auxiliary equipment to be used as follows:

1. Kelly Cock
2. No bit float is deemed necessary.
3. A sub with a full opening valve.

5. **Mud Program:**

a. The proposed circulating mediums to be employed in drilling are as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>PH</u>	<u>FL</u>
0-420'	Bentonite Gel	8.8	35-50	9	NA
420'-TD	Bentonite-Polymer	8.8	35-50	9.0	NA

There will be sufficient mud on location to control a blowout should one occur.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration, and pH.

b. Mud monitoring equipment to be used as follows:

1. Periodic visual monitoring of the mud system will be done to determine volume changes.

c. The concentration of hazardous substances in the reserve pit at the time of the pit backfilling must not exceed the standards set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA).

d. All oil and gas drilling related CERCLA hazardous wastes/substances removed from a location and not reused at another drilling location must be disposed of at an EPA approved hazardous waste facility.

6. **Testing, Logging & Coring:**

The anticipated type and amount of testing, logging, and coring are as follows:

a. No drill stem tests are anticipated.

b. No logging program is anticipated.

c. A core test is planned in each of the coal seams encountered during the drilling operations. Please see Geological Prognosis – Exhibit H.

EXHIBIT G

- d. When the well is completed as a dry hole the “Well Completion and Recompletion Report (Form 3160-4) will be submitted no later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analysis, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling operations, workover, and/or completion operations, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).

7 **Abnormal Pressures and Hydrogen Sulfide:**

- a. The expected bottom hole pressure is approximately 820 psi. No abnormal pressures or temperatures are anticipated.
- b. No hydrogen sulfide gas is anticipated, however; if H₂S is encountered the guidelines in Onshore Order No. 6 will be complied with.

8. **Other Information and Notification Requirements:**

- a. Drilling is planned to commence approximately May 1, 2001 or as soon after APD approval as possible. It is anticipated that the well will be plugged and abandoned after stratigraphic test operations. ✓
- b. It is anticipated that the drilling of this well will take approximately 15 days.
- c. The proposed plugging and abandonment of this well is as follows: ✓
 1. TD to 300’ will be plugged with Bentonite.
 2. 300’ to Surface: 200 sxs Lite cement 2% CaCl, 6% gel & ¼#/sk celloflake
- d. The following shall be entered on the driller’s log:
 1. Blowout preventer pressure tests, including test pressures and results;
 2. Blowout preventer tests for proper functioning;
 3. Blowout prevention drills conducted;
 4. Casing run, including size, grade, weight, and depth set;
 5. How the pipe was cemented, including amount of cement, type, whether the cement circulated, location of the cementing tools, etc.
 6. Waiting on cement time for each casing string.
 7. Casing pressure tests after cementing, including test pressures and results.

EXHIBIT G

- e. When the abandonment of the hole is anticipated, an oral request may be granted by the authorized office, but must be timely followed with a “Notice of Intent to Abandon” on form 3160-5.
- f. Notification Requirements:
 - 1. The spud date will be reported orally to the Grand Junction District Office within 24 hours after spudding. If the spudding occurs on a weekend or holiday, wait until the following regular workday to make this report.
 - 2. The Resource Area Engineer will be notified at least 24 hours in advance to BOP pressure tests.
 - 3. The BLM will be notified verbally at least 48 hours prior to running/cementing surface casing.
 - 4. The Resource Area Petroleum Engineer must be notified at least 48 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. When the well is abandoned, all pits must be fenced immediately until they are backfilled. The Subsequent Report of Abandonment (Form 3160-5) must be submitted within 30 days after the actual plugging of the well bore, reporting where the plugs were placed, and the current status of the surface restoration. If the surface restoration has not been completed at that time, a follow-up report on form 3160-5 should be filed when all surface restoration work has been completed and the location is considered ready for final inspection.
 - 5. Periodic drilling progress reports must be filed directly with the BLM – Vernal District Office and form or method as may be acceptable to the Petroleum Engineer.
- g. The authorized office must approve any change in the program. Sundry Notices and Reports on Wells (Form 3160-5) must be filed for all changes of plans and other operations. Emergency approval must be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, which will result in disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil and Gas Order No. 1 and prior approval by the authorized officer.
- h. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended or abandoned, shall be identified in accordance with CFR 43, 3162.2. There shall be a sign or marker with the name of the Operator, lease serial number, well number and surveyed description of the well. Any changes in operation must have prior approval from the BLM – Vernal District Office – Petroleum Engineer.

EXHIBIT G

- i. When the well is plugged and abandoned the Well Completion and Recompletion Report and Log (Form 3160-4) will be submitted not later than 30 days after the plugging operation is completed in accordance with CFR 43, 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during drilling, workover, and/or completion operations will be filed on form 3160-4. Samples (cuttings, fluid and/or gas) will be submitted only when requested by the BLM – Vernal District Office.
- j. All undesirable events (fires, accidents, blowouts, spills, and discharges) as specified in Notice to Lessee (NTL-3A) will be reported to the BLM – Vernal District Office. Major events will be reported verbally within 24 hours, followed by a written report within 15 days. Other than Major Events – will be reported in writing within 15 days. Minor Events – will be reported on the Monthly Report of Operations and Production (Form 3160-6).

**Well Geologic Prognosis
EXHIBIT H
Stratigraphic Test Well**

Piceance Basin, Mesaverde Fm

Location & Surface Data

State: Utah County: Uintah
 Location: NWN Sec 9, T15S-R24E
 Ftge 829 FNL, 1913 FEL
 Well Name: Black Horse Strat Test #9A-15-24 Well No. 1
 Elev: GL 7585 KB No Survey

Geologic Data

Primary Objective: Mesaverde
 Surface Fm: Tertiary Gravel/Mesaverde FM
 Projected TD (ft) 4,200
 Projected Prod Fm. None Bed Dip
 Other:
 Diff. in Depth from 15 deg. GL

Formation Tops	Projected Depth (ft)	Sub-Sea	Comments
Tertiary Gravels	0	7585	All tops are projected from the Black Horse #9-15-24-1 Well, Sec 9, T15S-R24E.
Mesaverde	2500	5085	
TD	4200	3385	

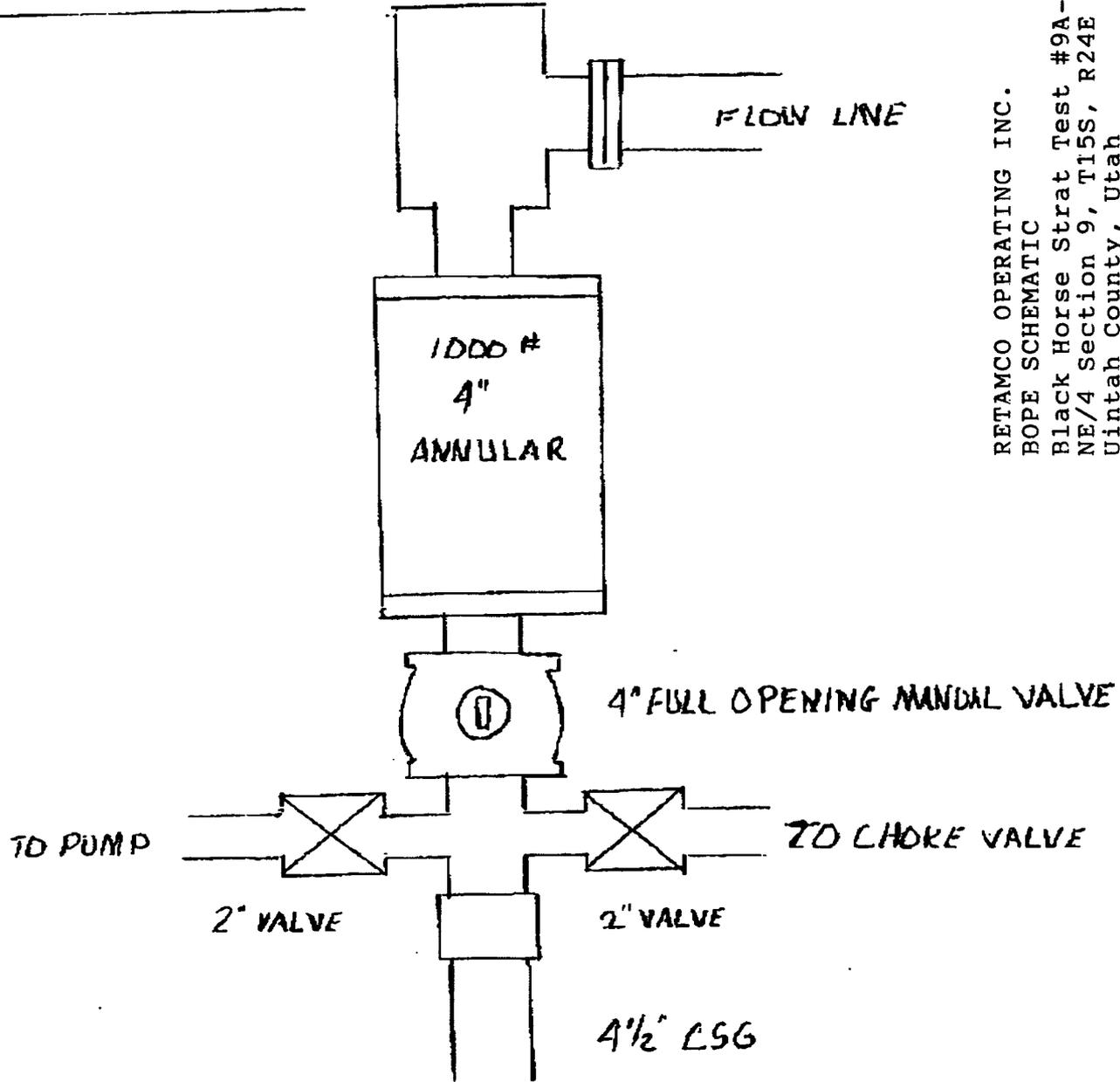
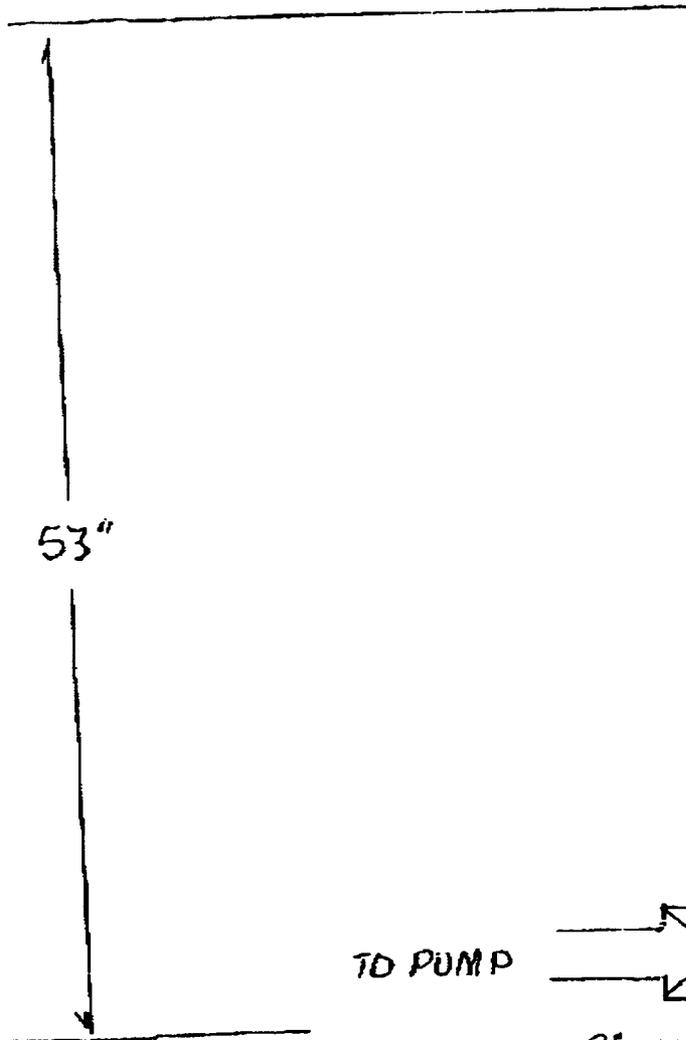
Final surface location is not surveyed, thus projected tops are not final.

Core Intervals and/or Ftge 3600-4200 Comments: Need Mudlogger from Surface to TD

Test Intervals & Depths Will be determined while drilling Comments: If strong shows of gas are encountered while drilling, tests may be performed to measure formation reservoir characteristics.

Completion Intervals None Comments: See drilling and completion program for details.

Notes



RETAMCO OPERATING INC.
BOPE SCHEMATIC
Black Horse Strat Test #9A-15-24
NE/4 Section 9, T15S, R24E
Uintah County, Utah
EXHIBIT I

RETAMCO OPERATING INC.

Black Horse Strat Test #9A-15-24

NE/4 Section 9, T15S, R24E

Uintah County, Utah

Federal Lease Number COC-72068

HAZMAT DECLARATION – EXHIBIT J

- A. Hazardous chemicals 10,000 pounds of which will most likely be used, produced, stored, transported, or disposed of in association with the proposed action of drilling, testing and plugging this well:

Retamco Operating Inc. anticipates that none of the hazardous chemicals in quantities of 10,000 pounds or more will be associated with these operations.

- B. Extremely hazardous substances threshold quantities of which will be used, produced, stored, transported, or disposed of in association with the proposed action of drilling, testing and plugging this well:

Retamco Operating Inc. anticipates that none of the extremely hazardous substances in threshold quantities per 40 CRF 355 will be associated with these operations.

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 03/29/2001

API NO. ASSIGNED: 43-047-34011

WELL NAME: BLACK HORSE 9A-15-24 (STRAT)
 OPERATOR: RETAMCO OPERATING INC (N6020)
 CONTACT: MOLLY CONRAD, AGT

PHONE NUMBER: 406-628-4164

PROPOSED LOCATION:

NWNE 09 150S 240E
 SURFACE: 0829 FNL 1913 FEL
 BOTTOM: 0829 FNL 1913 FEL
 UINTAH
 WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1-Federal
 LEASE NUMBER: UTU-72068
 SURFACE OWNER: 1-Federal

PROPOSED FORMATION:

RECEIVED AND/OR REVIEWED:

- Flat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UT-1088)
- Potash (Y/N)
- Oil Shale (Y/N) *190-5 (B) or 190-3
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

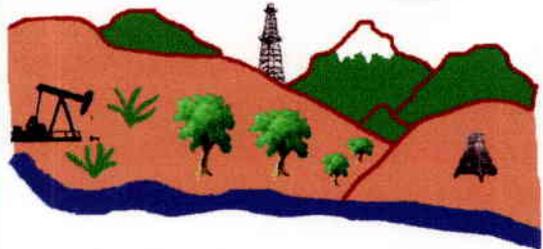
LOCATION AND SITING:

- R649-2-3. Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

① FEDERAL APPROVAL



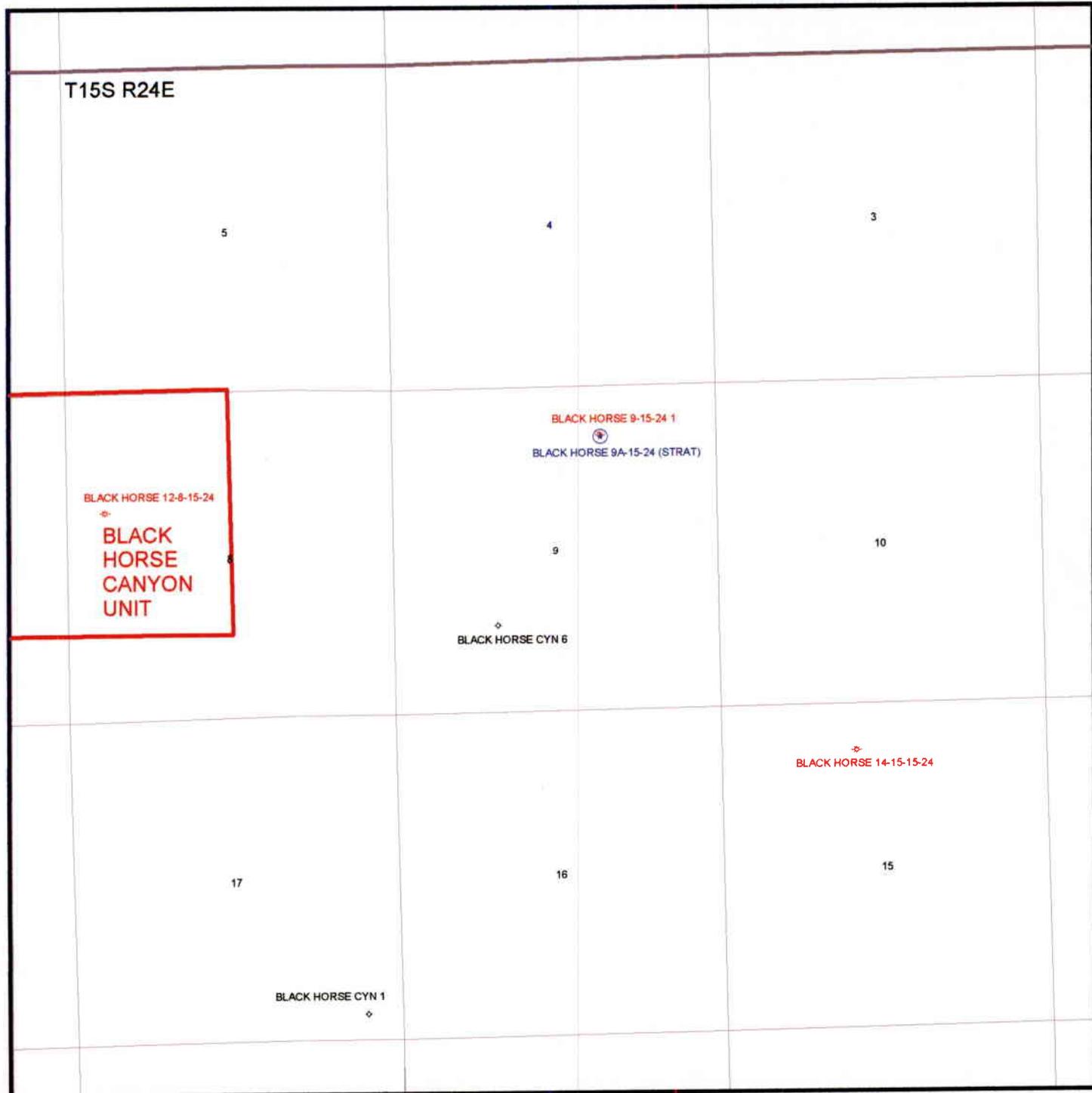
Utah Oil Gas and Mining

OPERATOR: RETAMCO OPERATING (N6020)

SEC. 9, T15S, R24E

FIELD: WILDCAT (001)

COUNTY: UINTAH SPACING: R649-3-2/GEN ST



PREPARED BY: LCORDOVA
DATE: 6-APRIL-2001

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU72068

6. If Indian, Allottee or Tribe Name
n/a

7. If Unit or CA, Agreement Designation
n/a

8. Well Name and No.
Black Horse Strat Test #9A-15-24

9. API Well No.

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State
Uintah County, Utah

SUBMIT IN TRIPLICATE

1. Type of Well
Oil Gas
 Well Well Other Stratigraphic Test

2. Name of Operator
Retamco Operating Inc.

3. Address and Telephone No.
671 Garnet Avenue, Billings, MT 59105 (406) 248-5594 (406) 628-4164

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
829' FNL & 1913 FEL NE/4 Section 9, T15S, R24E

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The Operator would like to request the following changes to the original APD submitted for this well:

- Attached is a revised wellsite diagram based on the on-site inspection with BLM representative.
- The cellar will be constructed using a 4' x 4' round steel culvert.
- The reserve pit will be lined with .12 mil plastic due to the fractured rock/soil on that part of the pad.
- A 500-bbl frac tank shall be set on location to hold water so the operator can store water in case of wet road conditions.

RECEIVED
APR 25 2001
DIVISION OF
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct

Signed _____ Agent for Retamco Operating Inc. Title _____ Date 04/21/01

(This space for Federal or State office use)

Approved by Molly Conrad Title _____ Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

***See Instructions on Reverse Side**

Revised (based on "on-site")

REVISED

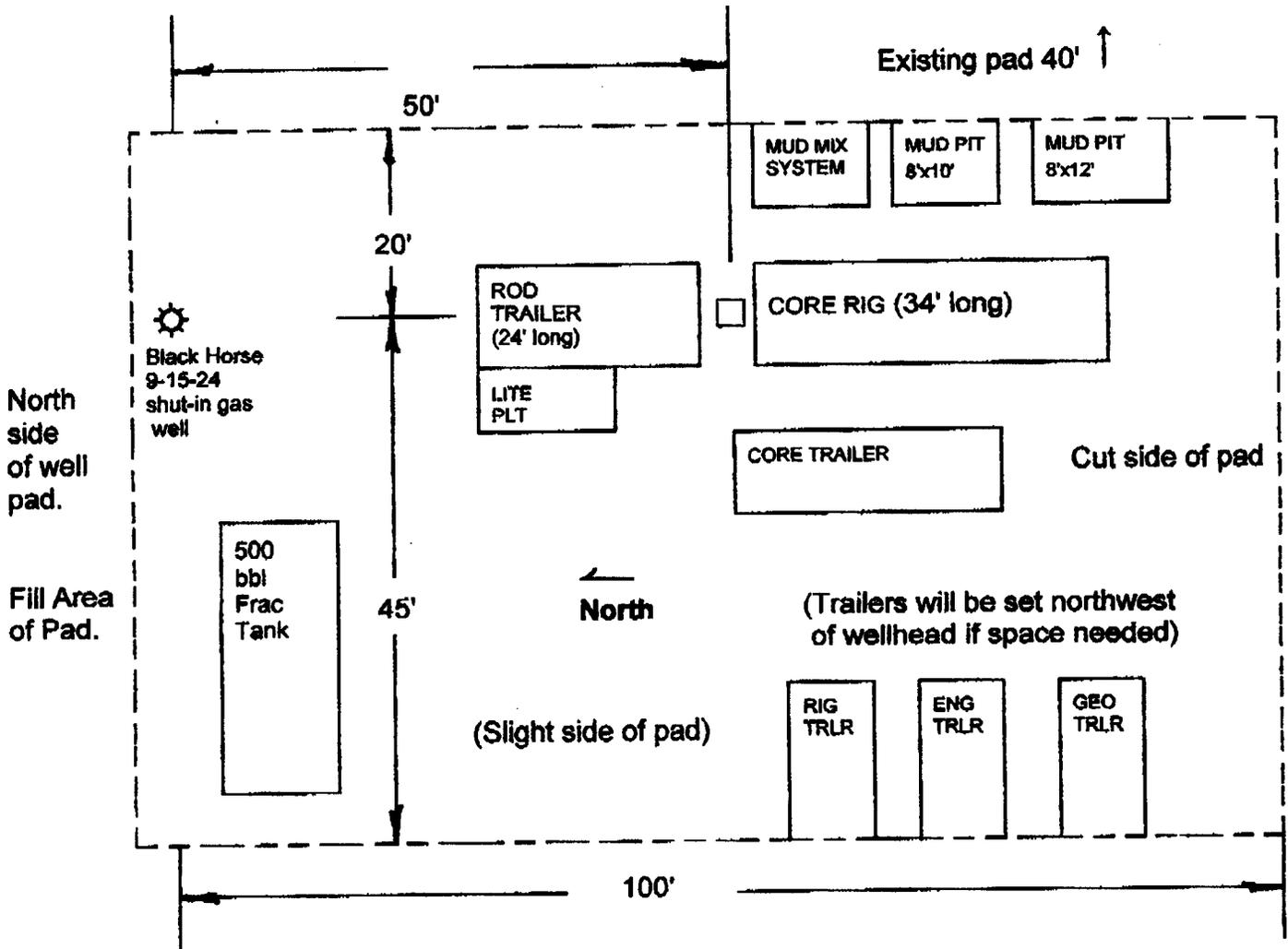
**EXHIBIT C (Wellsite Layout)
Black Horse Strat Test 9A15-24***

☐ = cellar for Black Horse Strat Test 9A -15-24 wellbore
(cellar to be 4'x4' round steel culvert)

← (Fill side of well pad)

Cut area →

← Existing pad extends approximately 100' north.



Pad extends approximately 100' west ↓

Lease road enters pad from southwest →→

ALL CORING OPERATIONS (INCLUDING EQUIPMENT AND VEHICLES) TO BE RESTRICTED TO THE AREA WITHIN THE DEADMEN OF THE EXISTING BLACK HORSE 9-15-24 WELLSITE (PAD).



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

April 26, 2001

Retamco Operating, Inc.
671 Garnet Ave
Billings, MT 59105

Re: Black Horse Strat Test 9A-15-24, 829' FNL, 1913' FEL, NW NE, Sec. 9 ,
T. 15 South, R. 24 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced Stratigraphic Test hole is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this test hole is 43-047-34011.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza".

John R. Baza
Associate Director

er

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Retamco Operating, Inc.
Well Name & Number Black Horse Strat Test 9A-15-24
API Number: 43-047-34011
Lease: UTU 72068

Location: NW NE **Sec.** 9 **T.** 15 South **R.** 24 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the hole.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the hole.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this test hole does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

5. Lease Serial No.
UW000-72068

6. If Indian, Allottee or Tribe Name
n/a

7. If Unit or CA Agreement, Name and No.
n/a

8. Lease Name and Well No.
Black Horse Strat Test #9A-15-24

9. API Well No.

10. Field and Pool, or Exploratory
Wildcat

11. Sec., T., R., M., or Blk. and Survey or Area
NE/4 Sec. 9, T15S, R24E

12. County or Parish
Uintah

13. State
UT

1a. Type of Work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator
Retamco Operating Inc. Stratigraphic Test

3a. Address
671 Garnet Ave, Billings, MT 59105

3b. Phone No. (include area code)
(406) 248-5594

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
At surface 829' FNL & 1913' FEL NE/4 Sec. 9, T15S, R24E
At proposed prod. zone

14. Distance in miles and direction from nearest town or post office*
Approximately 61.7 miles Northeast of Ouray, Utah

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
Approx 2064.5'

16. No. of Acres in lease
2351.3 acres

17. Spacing Unit dedicated to this well
40 acres

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
50'

19. Proposed Depth
4200'

20. BLM/BIA Bond No. on file
UT1088

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
7585' GL

22. Approximate date work will start*
May 1, 2001

23. Estimated duration
15 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *Molly Conrad* Name (Printed/Typed) Molly Conrad Date 3-28-2001

Title Agent for Retamco Operating Inc.

Approved by (Signature) *Michael J. Leavitt* Name (Printed/Typed) Office Date 05/09/2001

Title Assistant Field Manager
Mineral Resources

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

RECEIVED

RECEIVED

NOTICE OF APPROVAL

MAY 14 2001

MAR 29 2001

CONDITIONS OF APPROVAL ATTACHED
DIVISION OF
OIL, GAS AND MINING

OIPSON/A DOGM

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Retamco Operating Inc.

Well Name & Number: #9A-15-24

API Number: 43-047-34011

Lease Number: U-72068

Location: NWNE Sec. 9 T.15S R.24E

Agreement: N/A

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Pete Sokolosky of this office prior to setting the next casing string or requesting plugging orders. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected.

2. Pressure Control Equipment

None

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint. Surface casing setting depths are based on ground level elevations only.

Surface casing setting depths are based on ground level elevations only.

The proposed surface hole diameter (5.625") will not allow for the minimum clearance required of .422 inches on all sides between the hole and standard 4.5" casing collars. The surface hole must be at least 5.875" diameter.

The base of the usable water identified at 2585' must be isolated from lower zones with a minimum 100' cement plug. The surface plug must extend from 50' below the surface casing shoe to surface.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

7. Other Information

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman (435) 789-7077 (HOME) (435) 646-1685 (PAGER)
Petroleum Engineer

Kirk Fleetwood (435) 789-6858 (HOME) (435) 646-1678 (PAGER)
Petroleum Engineer

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM
Conditions of Approval (COAs)

-The reserve pit will be lined with a 12 mil nylon reenforced liner.

CONFIDENTIAL

FORM 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU72068

6. If Indian, Allottee or Tribe Name
n/a

7. If Unit or CA, Agreement Designation
n/a

8. Well Name and No.
Black Horse Strat Test #9A-15-24

9. APT Well No.
n/a 43-047-34011

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State

Utah County, Utah

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Gas
 Well Well Other Stratigraphic Test

2. Name of Operator

Retamco Operating Inc.

3. Address and Telephone No.

P.O. Box 577, Laurel, MT 59044

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

829' FNL & 1913' FNI NE/4 Section 9, T15S, R24E

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Pit Construction
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Operator received verbal approval from Byron Talmon of the Vernal Bureau of Land Management to start digging the pits for this well on May 9, 2001.

Construction of the pits began on May 9, 2001.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

14. I hereby certify that the foregoing is true and correct

Signed Mary Conrad

Agent for

Title Retamco Operating Inc.

Date 05/10/01

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instructions on Reverse Side

RECEIVED

MAY 14 2001

DIVISION OF
OIL, GAS AND MINING

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

CONFIDENTIAL

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU72068

6. If Indian, Allottee or Tribe Name
n/a

7. If Unit or CA, Agreement Designation
n/a

8. Well Name and No.
Black Horse Strat Test #9A-15-24

9. API Well No.
43-047-34011

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State
Uintah County, Utah

SUBMIT IN TRIPLICATE

1. Type of Well
Oil Gas
 Well Well Other Stratigraphic Test

2. Name of Operator
Retamco Operating Inc.

3. Address and Telephone No.
c/o Crazy Mountain Inc, P.O. Box 577, Laurel, MT 59044 (406) 628-4164

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
829' FNL & 1913 FEL NE/4 Section 9, T15S, R24E

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Spud</u>
	<input checked="" type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Operator moved in and rigged up and spud this well on May 16, 2001.

RECEIVED

JUN 15 2001

DIVISION OF
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct
Signed Molly Conrad Agent for Retamco Operating Inc. Date 06/12/01

(This space for Federal or State office use)
Approved by _____ Title _____ Date _____
Conditions of approval, if any: _____

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

***See Instructions on Reverse Side**

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other Stratigraphic Test

2. Name of Operator

Retamco Operating Inc.

3. Address and Telephone No.

c/o Crazy Mountain Inc, P.O. Box 577, Laurel, MT 59044 (406) 628-4164

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

829' FNL & 1913 FEL NE/4 Section 9, T15S, R24E

CONFIDENTIAL

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

5. Lease Designation and Serial No.

UTU72068

6. If Indian, Allottee or Tribe Name

n/a

7. If Unit or CA, Agreement Designation

n/a

8. Well Name and No.

Black Horse Strat Test #9A-15-24

9. APT Well No.

43-047-34011

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

Uintah County, Utah

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

TYPE OF ACTION

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other
- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

On 6-6-2001

Due to problems encountered during drilling the operator plugged and abandoned this hole as follows:

Ray Arnold, BLM Representative was on location to witness the plugging procedures.

TIH w/NQ to 1870' and pump 23 sxs Portland Neat cmt, 15.8#, 1.16 yield. POOH to 1370' circ hole clean.

Pump 33 sxs (10% excess) Portland Neat cmt 15.6#, 1.18 yield. POOH to 870' circ hole clean.

Pump 30 sxs (10% excess) Portland Neat cmt 15.6#, 1.18 yield. POOH to 370' circ clean. Pump 15.6#, 1.18 yield. POOH and top filled with 5 sxs Portland Neat. Cmt hold at surface.

Rig down and move and wait on air rig.

RECEIVED

JUL 10 2001

DIVISION OF
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct

Signed

Mouy Comrad

Agent for

Title Retamco Operating Inc.

Date

07/03/01

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

***See Instructions on Reverse Side**

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER Stratigraphic Test
b. TYPE OF WORK: NEW WELL HORIZ. LATS. DEEP-EN RE-ENTRY DIFF. RESVR. OTHER Stratigraphic Test

5. LEASE DESIGNATION AND SERIAL NUMBER:
COC72068

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
n/a

7. UNIT or CA AGREEMENT NAME
n/a

8. WELL NAME and NUMBER:
Black Horse Strat Test 9A-15-24

2. NAME OF OPERATOR:
Retamco Operating Inc, c/o Crazy Mountain, Inc.

9. API NUMBER:
4304734011

3. ADDRESS OF OPERATOR:
P.O. Box 577 CITY Laurel STATE MT ZIP 59044 PHONE NUMBER: (406) 628-4164

10. FIELD AND POOL, OR WILDCAT
Wildcat

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 829' FNL & 1913' FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH:

CONFIDENTIAL
PERIOD
EXPIRED
ON 7-6-02

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NE/4 9 15S 24E

12. COUNTY Uintah 13. STATE UTAH

14. DATE SPUDDED: 5/6/2001 15. DATE T.D. REACHED: 6/5/2001 16. DATE COMPLETED: 6/6/2001
ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
7585' GL

18. TOTAL DEPTH: MD 2,233 TVD
19. PLUG BACK T.D.: MD TVD
20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
Mud Log - 9-7-01

23. WAS WELL CORED? NO YES (Submit analysis)
WAS DST RUN? NO YES (Submit report)
DIRECTIONAL SURVEY? NO YES (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
5.625"	4.5" N80	11.6#	0	432	432	200		0	None

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A)				
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

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28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

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DIVISION OF
OIL, GAS AND MINING

29. ENCLOSED ATTACHMENTS:

- ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY
- SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER: _____

30. WELL STATUS:
P & A

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Wasatch	1,385	2,233	Please see attached Mud Log		

35. ADDITIONAL REMARKS (Include plugging procedure)

Please see Federal Sundry submitted explaining plugging procedure. Ray Arnold from BLM on location to witness plugging.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Molly Conrad TITLE Agent for Retamco Operating
 SIGNATURE *Molly Conrad* DATE 9/4/2001

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Box 145801
 Salt Lake City, Utah 84114-5801

Phone: 801-538-5340
 Fax: 801-359-3940

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DIVISION OF
 OIL, GAS AND MINING

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: Black Horse Strat Test #9A-15-24

API number: 4304734011

Well Location: QQ NE/4 Section 9 Township 15S Range 24E County Uintah

Well operator: Retamco Operating Inc., c/o Crazy Mountain Inc.

Address: P.O. Box 577

city Laurel state MT zip 59044

Phone: (406) 628-4164

Drilling contractor: Boart Long Year, Core Drilling Division

Address: 32 Stokes Drive

city Dayton state NV zip 89403

Phone: (800) 327-7049

Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
156	156	NO TEST RUN	
702	702	NO TEST RUN.	

Formation tops: (Top to Bottom)

1	_____	2	_____	3	_____
4	_____	5	_____	6	_____
7	_____	8	_____	9	_____
10	_____	11	_____	12	_____

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge.

NAME (PLEASE PRINT) Molly Conrad

TITLE Agent for Retamco Operating Inc.

SIGNATURE Molly Conrad

DATE 9/4/2001

SEP 07 2001